



November 10, 2016

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: *Business Data Services in an Internet Protocol Environment* (WC Docket No. 16-143); *Special Access for Price Cap Local Exchange Carriers* (WC Docket No. 05-25); *AT&T Corporation Petition for Rulemaking to Reform Regulation of Incumbent Local Exchange Carrier Rates for Interstate Special Access Services* (RM-10593)

Dear Ms. Dortch:

On November 10, 2016, Walter McCormick and the undersigned of USTelecom met with Commissioner Mignon Clyburn and her Legal Advisor Claude Aikin to discuss Chairman Wheeler's recent proposals for regulating the business data services (BDS) marketplace. We noted the significant progress in BDS competition since the special access proceeding was initiated, attributable in large part to the policies established by the Commission during that time.

We applauded the decision not to impose ex ante price regulation on all Ethernet services, but cautioned that proposals in the record that would mandate a "wholesale" discount structure on the BDS marketplace would, in fact, impose such regulation. We also explained that although our companies expected some form of competition-based price regulation of TDM-based legacy services, the imposition of multiple downward price adjustments on transport services in addition to channel terminations would have a disproportionately negative impact on some of our smaller companies, and would result in a wealth transfer from them to often much larger, multinational companies that continue to grow through mergers and acquisitions.

Please do not hesitate to contact the undersigned if you have questions or concerns.

Sincerely,

Diane Griffin Holland
Vice President, Law & Policy

cc: Commissioner Mignon Clyburn
Claude Aiken